

# We should work together to defend, protect, and improve Social Security

by Congressman Bob Filner and Congressman Robert Matsui

Social Security has a winning record. For nearly 70 years, seniors have counted on it for income security in their golden years. Young families have relied on disability or survivors' benefits to help pay the rent or make it through college. Social Security says a lot about who we are and what we stand for as a nation. By providing seniors with guaranteed retirement income for life and protecting young families who lose a breadwinner to disability or death, Social Security shows that we are a nation that cares for one another. It proves that we are a nation with a bottom line: we stand together, especially when life is most difficult. It's a promise we've made, and a promise that's kept millions of Americans out of poverty.

Right now, however, Social Security is faced with a serious threat to its purpose and future health: proposals to privatize the program. Privatizing Social Security may sound like a good idea at first, but the devil is in the details – the more you learn about it, the worse it sounds. It would cut benefits for current and future retirees. And in the end, it just doesn't make economic sense.

Privatization proponents want Americans to believe that Social Security is on its deathbed and that radical surgery is necessary. Neither claim is true. According to the Social Security trustees, new economic and demographic projections show that Social Security can pay full benefits until 2041. On the other hand, privatization will only make Social Security's financial problems worse. Privatization is based on the idea that one can take money out of the trust fund without any negative consequences. Proponents claim that

the money can be thrown into the stock market where it will grow with no risk attached. Seniors will go on collecting benefits, everyone will win, and no one will lose a dime. If this sounds too good to be true, it is.

At its core, privatization is based on a flawed and misleading understanding of how the program works. Since Social Security taxes are immediately paid out to current beneficiaries (it's a "pay-as-you-go" system), money taken out of the program would come directly out of our parents or grandparents' pockets. That's why privatization will mean benefit cuts. And these cuts would affect all recipients – retirees, disabled workers, and survivors alike. And since privatization opens a gaping hole in Social Security's finances, trillions of dollars would be needed to make up the difference. Some of the plans on the table would more than double the national debt. Where would this money come from? No one knows.

Privatization will weaken Social Security for all Americans, but for some the results will be even more devastating. Women, lower-income workers, and minorities will be hardest hit. For example, minorities tend to benefit disproportionately from the disability and survivors components of Social Security, but these will be cut across the board to make room for private accounts. Women are also particularly vulnerable to the effects of privatization. Women, on average, live longer than men and spend more time out of the workforce to raise children or take care of elderly parents. As a result, they would have less to deposit into private accounts. They would therefore have to live on smaller benefits from smaller

accounts over a longer period of time, without the protection from inflation offered by Social Security.

Social Security serves as the bedrock of a secure retirement. It is unshaken by the ups and downs of the stock market or the timing of one's retirement, like a privatized system would be. Social Security is immune to the mounting string of corporate scandals. It pays benefits whether or not corporations are paying dividends. The bottom line is that Social Security is designed so that America's seniors will be protected at the end of the road. It ensures that seniors will not suffer like Enron employees who watched the value of their stock accounts plummet and their dreams of a secure retirement vanish along with it. Of course, Americans should be encouraged to save more. 401(k) plans and personal savings have an important role to play in income security. But it is critical that we keep a portion of retirement income guaranteed. Social Security is that guarantee.

Social Security has worked for over sixty years, and it says something profound about our nation's priorities. Privatization puts it all at risk. We should work together to defend, protect, and improve Social Security. But we should oppose those who would fundamentally alter it, break it, or sell it off to Wall Street. The White House and Congressional Republicans have made it plain that they intend to move forward with privatization next year, but they will not discuss their plans until after this year's elections. That is wrong. Americans deserve to hear the details of these proposals before it's too late.